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CENTRAL INTELLIGENCE AGENCY

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1. General

a. In Rumania all export is directed and handled by the Ministry of Foreign Trade. For this purpose the above Ministry has set up the following institutions:

- 1) Comcar - for the exportation of meat.
- 2) Prodexport - for the exportation of foodstuffs.
- 3) Exportlemn - for the exportation of timber, timber products and paper.

b. There also exist similar institutions, which were set up by the Ministry to deal with the importation of goods. Source remembers the name of only one such institution, namely: Textilimport for the importation of textile products.

2. Exportlemn: Literal translation "Timber Export"; technical meaning - export of wood, timber and timber products.

a. Location: Piata Rosetti No. 4 Bucharest
Personnel: 320 employees

b. Organization of Exportlemn:

- 1) General Management: A certain Jenescu is in charge of the General Management temporarily, replacing Steriopol, who was removed for reasons unknown to source.
- 2) Departments: There are six departments each directed by its manager.

a) Supplies Department:

1. Manager - Sosnovici

2. Personnel: 62, including the manager, the head of office, the heads of sections, the technical personnel, the typists, the personnel of the registry and the clerks.

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3. Aims: To supervise the suppliers' office and its six sections in respect of the following points:

To control the prices of the invoices issued by the suppliers IPEIL and Sovromlemn.

To check whether the quantities shown in these invoices correspond exactly to the quantities shipped for export.

- b) Invoicing Department: Its task is to make out invoices in foreign currency.
- c) Transport Department: Its task is to control the transport fees contained in the consignment. Note: transport fees are charged to Exportlemn.
- d) Calculations Department: Its task is the reconversion into Rumanian lei of the invoices made out in foreign currency.
- e) Planning Department: Its task is to check whether the suppliers IPEIL and Sovromlemn have shipped the materials and quantities fixed by the Ministry of Foreign Trade for every country.
- f) Accountancy Department: Managers: Abramovici
Ormos

- 3) Offices: The number of offices corresponds to the number of departments, and they have the same designations and tasks. The offices are subordinate to the departments and superior to the sections. They are directed by heads of offices who sign all papers together with the manager of the department and the heads of sections.

- 4) Sections: Each office (hence each department) has the following six sections:

- a) Section for Soft Wood: Technical personnel, including head of section - 10.
- b) Section for Hard Wood: Technical personnel, including head of section - 7.
- c) Section for Plywood and Veneers: Technical personnel, including head of section - 7.
- d) Section for Furniture: (Tables and chairs only): Technical personnel, including head of section - 3.
- e) Section for paper manufactured from wood: Technical personnel, including head of section - 5
- f) Unknown to source.

c. Process of Exports

- 1) The designations and quantities of material to be exported are decided upon by the Ministry of Foreign Trade, which passes on its instructions in this respect to Exportlemn, and the latter have to do nothing but execute these instructions. However, no program showing details of materials and quantities to be exported over a certain period has ever been handed to Exportlemn by the Ministry. The export instructions are issued by the Ministry from day to day, and it happened frequently that these instructions were cancelled later (sometimes only to be re-issued again a few days or even some hours afterwards).

From the above described procedure one derives the impression that it is the Ministry's intention to maintain a mantle of secrecy about the details of the kinds and quantities of materials exported to the

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various countries (or at least it seems that they want to limit knowledge about these details to a minimum of personnel of Exportlemn).

- 2) The materials to be exported are supplied by the following two institutions:

- a) IPEIL - a State institution.
- b) Sovromlemn - a Russo-Rumanian company.

The export instructions issued by the Ministry of Foreign Trade to Exportlemn are sent at the same time to one of the above two institutions or to both of them, as the case may be. A representative of Exportlemn is always on the spot (with the suppliers at IPEIL and at Sovromlemn) and when the materials are shipped he signs an invoice issued by the supplier and then dispatches it together with the consignment note to Exportlemn (transport fees are for the latter's account).

- 3) Exportlemn then verifies the correctness, calculates the invoice in foreign currency, and afterwards does the calculation of re-conversion into Rumanian lei. These papers (the invoice and the document of reconversion) together with a letter of credit made out in foreign currency to the order of the Ministry for a sum equivalent to the countervalue of the materials exported, are then sent to the Rumanian State Bank, which, in turn keeps the letter of credit and the invoice, and credits the account of Exportlemn with the respective sum in Rumanian lei.

3. Materials for Exportation

a. General:

- 1) Sixty to seventy percent of all kinds of hard wood and 40 to 60 percent of all kinds of soft wood are exported to the USSR. (It must be pointed out that all wood of good quality is exported to the USSR and only the material in which the USSR is not interested is sent to other countries.)

- 2) All the paper exported is delivered to the USSR.

b. Materials and quantities exported:

- 1) Soft wood - 60,000 tons per month.
- 2) Hard wood - 3,000 to 4,000 tons per month.
- 3) Plywood and furniture - 1,000 to 1,500 tons per month.
- 4) Furniture (tables and chairs only) - 300 to 400 tons per month.
- 5) Paper - 800 to 1,000 tons per month.

c. Destination and percentage of export:

1) USSR

- a) 60 to 70 percent of hard wood, plywood and furniture.
- b) 40 to 60 percent of soft wood.
- c) 100 percent of paper.

2) Hungary

- a) 10 percent of soft and hard wood, plywood and furniture.
- b) Furniture, firewood and charcoal are also exported there.

- 3) Czechoslovakia - The same as to Hungary, but the larger part of furniture.

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- 4) Poland - 5 percent of soft wood (no hard wood at all).
- 5) Argentina - 5 percent of soft wood (nor hard wood at all).
- 6) Israel - 7 to 8 percent soft wood (nor hard wood at all). The export to Israel commenced after an agreement was signed by the General Manager of Exportlemn, who proceeded to Israel especially for this purpose.
- 7) England - 5 to 6 percent of soft wood.

4. Places of Shipment

- a. To USSR: Goods destined for export to the USSR are shipped from the following places:
 - 1) Radauti, where they arrive by Rumanian railway and are transhipped at this place onto Russian trains.
 - 2) Galati, where the materials arrive by Rumanian railway and are re-loaded on to Russian lighters which proceed to Reni, a Russian port on the Danube.
- b. To Other Countries: Goods destined for export to other countries are dispatched either from railway sidings near the IPEIL, or Sovromlemn (as for example to Hungary, Czechoslovakia and Poland) or via Constanta where they leave in most cases by foreign ships.

5. Compensations

- a. Exports are not effected in return for "compensations" in the juridical sense of the word. In fact, however, everytime some goods have been exported to a certain country other materials are imported from that country, as for instance:
 - 1) Upon the completion of export to Argentina, cotton was received from there.
 - 2) After the exportation of goods to England, textile machinery and electromotors were imported from there and these were passed on directly to the USSR. (It is in such cases only that the USSR agrees to forego part of the timber or any other material due to her.)
 - 3) The following goods were received from the countries mentioned below:
 - a) From Czechoslovakia - Textiles, coal. (Rumanian coal is being exported to USSR.)
 - b) From Poland - Coal.
 - c) From Hungary - Textiles, earthenware sugar. (Rumanian sugar being exported to the USSR.)

6. Other Export Institutions - Source has no knowledge whatever about these institutions. One of his friends, working in one of the slaughter houses of Comcar, told him that all the meat is actually shipped directly to China, without being transhipped via the USSR.